

STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2006

	December-06					September-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Quarter		FYTD	FY06	Ended	Ended
		Actual	Policy	Net ROR	Net ROR				Net ROR	Net	Net	6/30/2006	6/30/2006
												Net	Net
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
Los Angeles Capital	132,829	3.3%	3.4%	7.40%	0.16%	126,362	3.3%	3.4%	1.60%	9.12%	11.12%	N/A	N/A
Total Structured Growth	132,829	3.3%	3.4%	7.40%	0.16%	126,362	3.3%	3.4%	1.60%	9.12%	11.12%	12.01%	-0.32%
Russell 1000 Growth				5.93%	0.34%				3.94%	10.10%	6.12%	8.35%	-0.76%
<i>Structured Value</i>													
LSV	147,026	3.7%	3.4%	8.09%	1.93%	139,232	3.6%	3.4%	4.90%	13.39%	15.05%	21.14%	12.22%
Russell 1000 Value				8.00%	2.24%				6.22%	14.72%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>													
LA Capital	278,602	6.9%	6.8%	7.67%	1.05%	252,049	6.5%	6.8%	3.71%	11.66%	11.58%	N/A	N/A
Russell 1000				6.95%	1.28%				5.06%	12.36%	9.08%	N/A	N/A
<i>S&P 500 Enhanced Index</i>													
Westridge	280,709	7.0%	6.8%	6.86%	1.43%	269,141	6.9%	6.8%	5.75%	13.00%	8.77%	N/A	N/A
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	N/A	N/A
<i>Index</i>													
State Street	98,661			8.03%	2.51%	93,496			5.78%	14.28%	9.51%	11.47%	2.62%
Total 130/30	98,661	2.5%	2.3%	8.03%	2.51%	93,496	2.4%	2.3%	5.78%	14.28%	9.51%	11.47%	2.62%
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	937,827	23.4%	22.5%	7.50%	1.32%	880,279	22.7%	22.5%	4.49%	12.32%	10.95%	13.63%	3.95%
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	316,884	7.9%	7.5%	8.82%	0.32%	290,872	7.5%	7.5%	-0.01%	8.81%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				9.43%	0.50%				0.94%	10.46%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	316,884	7.9%	7.5%	8.82%	0.32%	290,872	7.5%	7.5%	-0.01%	8.81%	13.58%	18.20%	7.86%
Russell 2000				8.90%	0.33%				0.44%	9.38%	14.58%	18.70%	8.50%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	889,891	22.2%	22.4%	2.01%	-0.36%	866,502	22.3%	22.4%	4.45%	6.56%	-0.90%	7.36%	8.59%
Lehman Aggregate				1.24%	-0.58%				3.81%	5.09%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>													
Clifton Group	202,523	5.0%	5.2%	0.66%	-0.69%	199,868	5.2%	5.2%	N/A	N/A	N/A	N/A	N/A
Prudential	202,804	5.1%	5.2%	1.88%	-0.39%	197,637	5.1%	5.2%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	405,327	10.1%	10.4%	1.27%	-0.54%	397,505	10.3%	10.4%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.24%	-0.58%				3.81%				
<i>Index</i>													
Bank of ND	374,357	9.3%	9.8%	1.31%	-0.40%	381,114	9.8%	9.8%	3.10%	4.46%	-1.14%	1.14%	4.90%
Lehman Gov/Credit (1)				1.04%	-0.76%				3.91%	4.99%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>													
Wells Capital (formerly Strong)	887,351	22.1%	22.4%	1.75%	-0.69%	866,268	22.3%	22.4%	4.60%	6.43%	-2.11%	2.63%	N/A
Lehman US Credit BAA				1.49%	-0.94%				4.80%	6.36%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	2,556,926	63.7%	65.0%	1.70%	-0.51%	2,511,389	64.8%	65.0%	4.28%	6.06%	-1.39%	6.59%	7.79%
Lehman Aggregate (2)				1.24%	-0.58%				3.81%	5.09%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS													
<i>Bank of ND</i>													
90 Day T-Bill	202,548	5.0%	5.0%	1.32%	0.44%	194,519	5.0%	5.0%	1.35%	2.68%	4.50%	2.71%	2.42%
				1.26%	0.44%				1.33%	2.60%	4.00%	2.37%	2.25%
TOTAL RISK MANAGEMENT FUND	4,014,185	100.0%	100.0%	3.54%	0.04%	3,877,059	100.0%	100.0%	3.91%	7.58%	2.38%	5.46%	4.44%
<i>POLICY TARGET BENCHMARK</i>				3.02%	-0.01%				3.85%	6.99%	2.71%	5.12%	4.84%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.